

CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 326

February 28, 1968

ESTIMATED TAX: UNDERPAYMENT BY CORPORATION

Syllabus:

In case of an underpayment of estimated tax, the amount of the underpayment is determined by reference to the tax shown on the final return for the income year.

If the estimated tax is underpaid and a deficiency is subsequently assessed, the underpayment is computed by reference to the tax shown on the return and not by reference to the deficiency. E. Wheeler Bryant, CCH 22 TCM 977, P-H T.C. Memo 63,199.

If the tax disclosed on the return constitutes an overpayment, the underpayment of the estimated tax is nonetheless determined by reference to the tax shown on the return. A revised return may be filed on or before the due date or the original return; however, an amended return filed after the due date of the original return does not affect the manner in which the amount of the underpayment is determined.

The tax shown on the return for purposes of computing the amount of the underpayment is the amount a taxpayer admits is due and payable. John Moir et al., 3 BTA 21. the plaintiff manufactured and sold most of the aircraft ordered by the United States government in the years herein involved